

## IMPACT Fund signing ceremony: a milestone event

**Lebanon's largest Venture Capital fund, the first to comply with Banque du Liban Intermediate Circular 331, now set to boost Lebanon's profile as a launching pad for global High Tech success stories**

**Beirut, October 24, 2014** – The signing ceremony of the IMPACT Fund occurred on October 24, 2014, representing a major milestone for Lebanon's Venture Capital scene. With investor commitments in excess of \$50 million, the IMPACT Fund is by far the largest Venture Capital fund in Lebanon, and notably the first fund to comply with Banque du Liban's (BDL) Intermediate Circular 331. The Circular was created by BDL specifically to support the growth of Lebanon's Knowledge Economy, a sector that is expected to materially improve High Tech employment in Lebanon.

The investment subsidy program outlined in the Intermediate Circular 331 is available only to Lebanese Banks; the program encourages Lebanese Banks to invest early stage equity capital in Lebanon's Knowledge Economy by providing the Banks with an upfront 75% equity capital subsidy coupled with a 75% downside protection over an investment horizon of 7 years.

The IMPACT Fund was launched by Middle East Venture Partners (MEVP), one of the leading MENA focused Venture Capital firms and currently the largest non-government sponsored VC firm in the Region. The IMPACT Fund is co-sponsored by BLOM Invest Bank and MedSecurities Investment, and has already received, for its first closing, investment commitments from most of Lebanon's leading Banks including BLOM Invest Bank, BankMed, Bank Audi, Fransabank, Credit Libanais Investment Bank and Al-Mawarid Bank. The signing ceremony took place at the Four Seasons Hotel, Beirut, and was attended by representatives of BDL, senior representatives from every major Bank in Lebanon, and both the Chairman and CEO of MEVP. MEVP expects several other Banks to join the second closing of the IMPACT Fund, including Banque Libano-Francaise, Bank of Beirut, BBAC, LGB Bank, First National Bank, BML and others.

MEVP launched the IMPACT Fund on December 19, 2013 and the Fund received on July 11, 2014 BDL's approval as compliant with Intermediate Circular 331. The Fund will invest \$500 thousands to \$5 million in next-generation knowledge-based Lebanese SAL companies that focus on the ICT sector (Information Communication Technology sector) and other creative intellectual property driven sectors. The IMPACT Fund is designed to fund knowledge-based Lebanese SAL companies that are expected to grow into regional and even global success stories. Therefore, the Fund's potential investments should have target markets covering at least the MENA Region if not the global markets, while still maintaining core R&D and back office capabilities in Lebanon. MEVP expects the investment incentives from Intermediate Circular 331 to encourage Lebanese expat entrepreneurs as well as foreign entrepreneurs to establish ICT ventures using Lebanon as their launching pad. The ultimate goal is to create sustainable, highly paid High Tech jobs that will energize Lebanon's future economic development.

To date, IMPACT Fund's Investment Committee has approved five investments worth \$12.5 million in aggregate, four of which have been finalized with one expected to close by the end of 2014. These five investments are:

- 1. Mobinets:** A \$3M investment in "Mobinets", a Telecom software provider launched in 2011 and specialized in next generation smart Operation Support Systems (OSS) solutions. Mobinets' key product "NEP" (Network Enterprise Product) allows telecom operators to control and manage their network infrastructure in real time at lower costs than existing solutions. Mobinets is managed by a world class C-level and Board of Advisors team that combine a unique experience of Telecom & IT know-how. Mobinets has built a very strong portfolio of Telcos that include A1 Touch, Vodafone Group, Orange, Zain, MTN, Ooredoo, Meditel, etc.

[www.mobinets.com](http://www.mobinets.com)

2. **Fuel Powered** (previously Grantoo): A \$2M investment in Fuel Powered as part of a \$3.5M financing round alongside the Rising Tide Fund. Fuel Powered’s platform helps mobile games add multiplayer functionalities instantaneously enabling gamers to compete with each other. Fuel Powered’s implementation with its latest clients proved itself by a 135% increase in sessions/user and a 2.26x increase in the 7 days retention ratio. The company has 30 million online accounts created and signed prominent clients such as Miniclip.  
[www.fuelpowered.com](http://www.fuelpowered.com)
3. **Fadel Partners**: An investment in FADEL Partners (for an undisclosed amount), a software company (local office in USA) that developed and commercialized “IPM Suite” an Intellectual Property, Rights & Royalties management product for a variety of global industries (media, publishing, pharmaceuticals, etc.). IPM Suite was developed by a world class team with relevant experience in ERP integration and development of similar solutions (Oracle, IBM etc.). IPM Suite is targeted towards Fortune 500 companies looking to better manage their IP rights distributed across platforms, geographies, franchising rights and royalties. It has a strong client base that includes Marvel Studios, O’reilly and F5 Networks.  
[www.fadelpartners.com](http://www.fadelpartners.com)
4. **Klangoo**: A \$1.5M investment in Klangoo, owner of the text analysis technology “Magnet”. Klangoo is the result of 50+ years of high profile research and development in areas of Natural Language Processing and Understanding. Magnet technology can be applied to several verticals ranging from content publishers, advertising platforms and customer support. Klangoo’s advanced technology has witnessed a strong interest from leading content publishers and IT companies in US, Europe, South America, and the Middle-East and will be announcing major client deals before the end of the year.  
[www.klangoo.com](http://www.klangoo.com)
5. **Bookwitty**: A \$4M investment in Bookwitty, an international online book distribution company. The company started as an online seller for books sourced in Lebanon then extended its catalogue to suppliers based in France, the UK, Germany, and the USA. It relies on highly optimized supply chain processes as well as smart algorithms and services for online sales. Empowering bookstores and publishers to be competitive on local markets, it gives them access to a global catalogue with more than 25 million references. The company is now launching Bookwitty.com, an online platform for book enthusiasts. Bookwitty is a fast growing company with a 2012-2014 Revenue CAGR of 81.8% and expected 2014 revenues of \$36M. The transaction is expected to close by year end 2014.

#### **About MEVP**

*Middle East Venture Partners (MEVP) is a leading MENA focused venture capital firm that invests in the early and growth stages of innovative companies run by talented entrepreneurs primarily in Beirut, Amman and Dubai. With offices in Beirut, Dubai and Silicon Valley and more than \$75 million in Assets Under Management, MEVP is the pioneer and largest VC firm in the MENA region, with clear cross border investment appetite. MEVP has invested in over 25 Technology companies since 2010.*